



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF STATE LANDS AND FORESTRY

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Scott Hirschi
Division Director

3 Triad Center, Suite 400
355 West North Temple
Salt Lake City, Utah 84180-1204
801-538-5508
801-355-0922 (Fax)

June 23, 1994



CERTIFIED MAIL NO. P 051 448 277

Dan Powell
967 South 680 West
Payson, UT 84651

Dear Mr. Powell:

RE: ML 45538 Clay
S/015/064 Emery County

On May 17, 1994, the division requested that within 30 days the Lessee furnish additional surety or collateral bonding in the amount of \$5000 per acre of surface disturbance for your proposed or actual mining operations under state mineral lease ML 45538. Lessee has failed to comply with the division's request and is in breach of Article XII of the lease agreement.

Lessee is hereby notified pursuant to Article XIX of the lease agreement that ML 45538 will terminate in 30 days from date of this letter. All rental payments shall be forfeited to the state.

The division demands that upon the termination of ML 45538 you 1) immediately cease all mining of the leased lands, 2) reclaim all surface disturbances to the satisfaction of the division; and, 3) submit all remaining royalty payment for leased substances which have been removed from the property.

Lessee may remedy the violation of Article XII and prevent the termination of this lease by furnishing the requested bond prior to 30 days from the date of this letter.

Please contact me if you have any questions in this matter.

Sincerely,

JOHN T. BLAKE
MINERAL RESOURCES SPECIALIST

cc: Kevin Carter
Wayne Hedberg

